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SUBJECT: JERUSALEM MEDIA REACTION (12/03): "EUROPE TO ACTIVATE ITS
ROLE IN PEACE PROCESS"

Main Stories:

All dailies lead with photos and reporting on December 2 Israeli settler and military attacks on Palestinians in the West Bank. The dailies report that settlers attacked Palestinians and property in the Hebron area. Fifteen people were injured, including three children and an elderly woman. The papers add that settlers slashed tires on more than 20 Palestinian cars and set fire to a few thousand dollars worth of animal feed. Near Nablus, settlers sprayed graffiti on a local mosque with slogans insulting the prophet Mohammad, "death to Arabs" and the star of David, the papers report. Area students were also harassed by settlers, who may have come from the nearby settlements of Rechelim, Eli and Shilo, reporting continues. Meanwhile, residents of two Ramallah area villages, "found racist slogans written in Hebrew painted on the floors of two mosques," the dailies report.

Palestinian Authority President Abbas condemned recent Israeli settler attacks and threatening to bring the incidents before the U.N. Security Council if Israel fails to reign in the settlers, according to Al Quds' and Al Hayat Al Jadida's front pages. The two papers continue that Israeli troops installed new security measures on December 2: a new gate on the Nablus-Tulkarim road and a checkpoint near the Nablus village of Dir Sharaf.

In Gaza news, Al Quds' front page reports on a December 2 Israeli air strike that killed two Gazans and injured four others. In a separate incident, an Israeli drone attacked a group of Palestinians near Gaza airport, the article notes. The paper continues with comments that Gaza crossings remain closed for the 27th consecutive day per the Israeli Defense Minister's order. In another front page article, Al Quds quotes Palestinian Authority (PA) Prime Minister Fayyad warning on December 2 that Gaza Banks will not be able to disburse salaries to PA employees since Israel continues to block PA cash transfers to Gaza.

Palestinian Authority (PA) Prime Minister Fayyad called on the international community to take "complete responsibility" for the peace process, especially in light of Israel's continued violations of signed agreements, according to Al Quds' and Al Ayyam's front pages. Fayyad made his comments during the launch of a \$57 million USAID-funded health flagship project in Ramallah on December 2. "We are celebrating [this project], however, we cannot ignore Israel's daily actions against Palestinian citizens," Fayyad remarked. He also highlighted the December 1 "assassination" by Israeli forces of a former Al Aqsa Brigades member in Nablus and condemned Israeli settler attacks in Nablus and Hebron. Fayyad called on the EU to, "think long and hard" before upgrading its cooperation with Israel. Turning to the USAID project, he reiterated the importance of revitalizing the Palestinian health sector, while the PA Minister of Health highlighted that the USAID project is unprecedented in its size and "reflects the right kind of awareness." Consul General Jake Waller added that the 5-year project will contribute to improving the health sector in the West Bank and Gaza, while USAID Director Howard Sumka noted that the project reflects Palestinian priorities and is the fruit of many years' intensive efforts. Al Quds' front page cites Israeli daily Haaretz in quoting a senior Israeli diplomat revealing that president-elect Obama is considering the appointment of former U.S. ambassador to Israel Daniel Kurtzer as Special Envoy to the Middle East. The paper opines that a presidential-level envoy instead of a State Department envoy can be seen as a sign of U.S. interest and "serious involvement" in the Middle East peace process. Al Ayyam's front page reports that the EU Commission in Jerusalem announced on December 2, 42 million additional Euros in assistance to the Palestinian Authority. The amount includes one million Euros

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from Austria, reporting notes, and will be used for expenses related to public services through the end of the year.

Al Quds' and Al Ayyam's front pages report that a French Foreign Ministry spokesman told journalists on December 2 that any upgrade of EU relations with Israel should take "progress in the peace process", into consideration. Al Ayyam's and Al Hayat Al Jadida's front pages cite news agencies in quoting Israeli Foreign Minister Livni from Brussels on December 2, urging the EU to support the U.S.-sponsored peace process instead of proposing new initiatives.

BLOCK QUOTES:

1) Al Quds' editorial is titled, "Europe seeks to activate its role in the peace process" (12/03): "There are positive indicators to suggest that Europe is moving in a serious and realistic fashion towards implementing the road map's call for freezing [Israeli] settlement activities and reopening Palestinian organizations in Jerusalem, while also coordinating efforts with the incoming U.S. administration... the real test for the European efforts will be to see if [Europe's] can walk side-by-side with the U.S. in these regional efforts."

2) Jawad Bashiti writes in Al Ayyam under the title, "We are to blame for the international economic and financial crisis" (12/03): "Had we [Arabs] invested our hard currency into our own, real economy, we would have made a great contribution towards averting the world's financial crisis. Without the Arab financial "surpluses" that we [invested in western] banks and financial institutions, [the West] would not have succumbed to the temptation of what they call, "irresponsible lending", and thus, they would not have destroyed the temple over their and our heads."
Waller